

(c) the progress made so far of its phase-II programme and the time scheduled for the completion of the same?

THE MINISTER OF STATE IN THE MINISTRY OF POWER
(SHRIMATI JAYAWANTI MEHTA): (a) No, Sir.

(b) Does not arise.

(c) The Phase-II of the Dabhol power project is 93% complete, and Block-B (740 MW) is scheduled to be commissioned in June, 2001 and Block-C (740 MW) in October, 2001.

Pre-Project study of Dabhol Power Project

3577. SHRI NILOTPAL BASU: Will the Minister of POWER be pleased to state:

(a) whether Government are aware of the article "Lessons from Enron" published in the Hindu of 22nd January, 2001;

(b) whether it is a fact that the commissioning of the Dabhol Project was not preceded by any study which anticipated any change in Rupees/Dollar exchange rate and Dollar/barrel oil price so essential for a rigorous risk analysis; and

(c) if so, whether experts/committees/consultants responsible for such study has been identified/held accountable/proceeded against and the course of action taken to this effect and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER
(SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

(b) The Maharashtra State Electricity Board (MSEB) has informed that commissioning of the Dabhol power project was preceded by study of the sensitive issues like probable \$/Rs. Exchange rate variation based on the information provided by the World Bank. The oil price trend was based on the previous trend data, while working the probable estimated tariff of the electricity to be generated by the project. As per the estimate, tariff in 2001 should have been around Rs. 3.71 per Kwh at 90% Plant Load Factor. The Dabhol power project has been accorded clearance by the Central Electricity Authority. The present day high cost of naphtha in the

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international markets and sharp increase in the dollar exchange rate have led to high tariff of the power supplied by the Dabhol power project to the Maharashtra State Electricity Board (MSEB) and also of other similar projects in the country. Further, MSEB has to take power as per merit order dispatch on the directions of the Maharashtra Electricity Regulatory Commission. Hence, the actual purchase of power from the Dabhol project has been less than the contracted demand *i.e.* 90% Plant Load Factor (PLF). However, MSEB has to pay fixed capacity charge irrespective of actual dispatch.

(c) Does not arise.

High Per Unit Price of DPC

3578. SHRI NELOTPAL BASU: Will the Minister of POWER be pleased to state:

(a) whether Government are aware of the article "Lessons from Enron" published in the Hindu of 22nd January, 2001;

(b) if so, whether it is a fact that the price of Dabhol Power is high;

(c) if so, the price of a unit of power from DPC and that from other sources to Maharashtra State Electricity Board;

(d) whether it is a fact that Government is contemplating any move to come to the rescue of MSEB (and in turn, Dabhol) by recasting tax-policies and absorbing Dabhol Power; and

(e) if so, the details thereof and loss to Government arising therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) Yes, Sir.